

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF TOLL AND ACCESS )  
CHARGE PRICING AND TOLL SETTLEMENT )  
AGREEMENTS FOR TELEPHONE UTILITIES ) CASE NO 8838  
PURSUANT TO CHANGES TO BE EFFECTIVE ) PHASE IV  
JANUARY 1, 1984 )

O R D E R

Introduction

On December 9, 1987, the Commission released an Order in this case addressing interLATA<sup>1</sup> and ULAS<sup>2</sup> compensation. On December 23, 1987, Continental Telephone Company of Kentucky ("Continental") filed a petition for modification of the Order or, in the alternative, a petition for rehearing. The Commission will grant Continental's petition for modification.

Discussion

Continental petitions the Commission to modify its Order due to demand price-out errors involving carrier common line and switched access service revenues. First, Continental states that its original demand price-out used the proposed mid-year 1986 interstate originating carrier common line rate of \$0.0344 per

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<sup>1</sup> Local Access and Transport.

<sup>2</sup> Universal Local Access Service.

minute of use and was not revised to reflect the approved rate of \$0.0304 per minute of use. Thus, based on revised information attached to Continental's petition, carrier common line revenues were overstated in the amount of \$31,935. Accordingly, Continental's ULAS requirement should increase by an equal amount to \$352,742, as indicated in Table 1, effective January 9, 1988.

Also, Continental states that its original demand price-out overstated switched access revenues due to a failure to adjust local transport revenues for settlements with connecting carriers. Thus, based on information attached to Continental's petition, switched access revenues should be \$706,000, rather than the \$936,000 indicated in the original price-out. Accordingly, Continental's access revenue surplus is reduced from \$479,000 to \$255,000, and Continental should reduce switched access rates in the latter amount, effective January 9, 1988.

#### Finding and Order

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that Continental's original demand price-out contained factual errors that require modification of the Commission's Order of December 9, 1987, as discussed herein.

Accordingly, the above finding is HEREBY ORDERED.

Done at Frankfort, Kentucky, this 7th day of January, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Deman  
Chairman

Robert M. Davis  
Vice Chairman

James N. Williams  
Commissioner

ATTEST:

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Executive Director

TABLE 1  
ULAS COMPENSATION

	1984 Carrier Common Line Revenue	Authorized Carrier Common <sup>1</sup> Line Revenue	ULAS Residual
Alltel	\$ 159,732	\$ 88,132	\$ 71,600
Ballard	18,821	15,572	3,249
Brandenburg	214,908	144,820	70,088
Cincinnati	2,083,585	1,215,582	868,003
Continental	959,985	607,243	352,742
Duo County	188,952	125,319	63,633
Foothills	54,276	31,095	23,181
General	5,095,135	4,333,400	761,735
Harold	27,362	14,523	12,839
Highland	36,910	28,186	8,724
Leslie County	37,804	22,538	15,266
Lewisport	26,424	NA	NA
Logan	42,185	25,846	16,339
Mountain	73,421	44,216	29,205
North Central	96,323	84,865	11,458
Peoples	114,130	81,952	32,178
Salem	5,487	3,602	1,885
South Central Bell	14,897,000	9,692,470	5,204,530
South Central Rural	539,913	412,492	127,421
Thacker-Grigsby	31,135	18,313	12,822
West Kentucky	43,169	27,822	15,347
	<u>\$24,746,657</u>	<u>\$17,017,988</u>	<u>\$7,702,245</u>

<sup>1</sup> Based on tariff demand priceout information for the 12 months ended June 30, 1986.